



98TH CONGRESS
1ST SESSION

H. R. 1896

To amend the Defense Production Act of 1950 to create a Bipartisan National Commission on Industrial Competitiveness.

IN THE HOUSE OF REPRESENTATIVES

MARCH 3, 1983

Mr. LAFALCE introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To amend the Defense Production Act of 1950 to create a Bipartisan National Commission on Industrial Competitiveness.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 SHORT TITLE

4 SECTION 1. This Act may be cited as the "Bipartisan
5 National Commission on Industrial Competitiveness Act".

1 ESTABLISHMENT OF COMMISSION

2 SEC. 2. Title VII of the Defense Production Act of
3 1950 (50 U.S.C. App. 2151 et seq.) is amended by adding at
4 the end thereof the following:

5 "SEC. 721. (a)(1) The Congress hereby finds that—

6 "(A) the preeminence of the United States in in-
7 ternational industrial competition and the insulation of
8 United States domestic markets from competition
9 ended during the past decade;

10 "(B) the United States has been slow to accept
11 and adapt to the reality of a highly competitive global
12 marketplace and to regard the industrial development
13 of competing countries as a challenge and an opportu-
14 nity for its own economic growth;

15 "(C) United States industries as a whole can pros-
16 per only by treating domestic markets as part of the
17 larger world market;

18 "(D) to be successful in this world arena, the
19 United States must address the erosion of comparative
20 advantage of its basic industries in a number of areas,
21 including innovation, investment, and productivity;

22 "(E) helping to support the competitiveness of
23 United States industries, both in their ability to export
24 and in their ability to import, is a proper and necessary
25 role for government, working with the private sector;

1 “(F) at present, industrial policy in the United
2 States is composed of a myriad of Government pro-
3 grams, subsidies, and regulatory oversight functions
4 which are neither coordinated, cohesive, nor consistent;

5 “(G) Government, business, and labor have too
6 often reacted toward one another as adversaries in the
7 development of economic policy in the United States,
8 rather than acting as partners in an economic climate
9 in which they have become increasingly interdepen-
10 dent;

11 “(H) the decline in United States industrial com-
12 petitiveness endangers the economic stability of the
13 Nation;

14 “(I) such decline also endangers the ability of the
15 United States to maintain the defense industrial base
16 which is necessary to the national security of the
17 United States;

18 “(J) in recent years, a number of studies, both
19 public and private, have examined various aspects of
20 the historical causes of the relative decline in United
21 States industrial competitiveness; and

22 “(K) it is now imperative that Government, busi-
23 ness, labor, and academia act together to develop and
24 coordinate long-range strategies for helping to assure

1 the international competitiveness of United States in-
2 dustries.

3 “(2) It is the purpose of this Act to develop recommen-
4 dations for—

5 “(A) long-range strategies for promoting the inter-
6 national competitiveness of United States industries;
7 and

8 “(B) potential mechanisms for carrying out those
9 strategies.

10 “(b) There is hereby established a commission to be
11 known as the Bipartisan National Commission on Industrial
12 Competitiveness (hereinafter in this Act referred to as the
13 ‘Commission’).

14 “(c)(1) The duties of the Commission are—

15 “(A) to study the present and potential competi-
16 tive posture of United States industries in world mar-
17 kets; and

18 “(B) to report to the President and the Congress
19 its findings and recommendations to improve the com-
20 petitiveness of United States industries in order to
21 insure a stable economy, full employment, and the na-
22 tional security of the United States.

23 “(2) In carrying out such study, the Commission shall
24 examine—

1 “(A) the relationship between the competitiveness
2 of United States industries and the laws, regulations,
3 and policies of the Federal Government and State and
4 local governments which affect the operations of
5 United States industries, including the following areas:
6 “(i) international trade and monetary policy;
7 “(ii) domestic fiscal and monetary policy;
8 “(iii) investment incentives;
9 “(iv) credit allocation and availability;
10 “(v) taxation;
11 “(vi) antitrust and mergers;
12 “(vii) subsidies;
13 “(viii) procurement;
14 “(ix) education and training;
15 “(x) capital formation, both public and pri-
16 vate;
17 “(xi) research, development, and new tech-
18 nologies;
19 “(xii) labor-management relations;
20 “(xiii) information generation and disclosure;
21 “(xiv) regional and State economic develop-
22 ment policies;
23 “(xv) manpower and human resources, in-
24 cluding structural unemployment;
25 “(xvi) natural resources;

1 “(xvii) productivity; and

2 “(xviii) public infrastructure;

3 “(B) the nongovernmental institutional policies
4 and practices which affect, or are affected by, the areas
5 examined under subparagraph (A);

6 “(C) recent studies, both public and private, which
7 have examined and analyzed the effect on international
8 competitiveness of United States industries of the areas
9 specified in subparagraph (A) and any other areas; and

10 “(D) the policies and practices of other countries
11 whose industries are, or are expected to be, competi-
12 tive with United States industries in the areas exam-
13 ined under subparagraphs (A) and (B), with particular
14 attention to the long-range industrial policies of those
15 countries, including—

16 “(i) how such policies are determined;

17 “(ii) the role of the governments of those
18 countries in the policy determinations;

19 “(iii) the extent to which the governments of
20 those countries act as partners with the private
21 sector;

22 “(iv) what industries are selected for devel-
23 opment and how those industries are chosen;

1 “(v) what the investment strategies of those
2 countries and their industries are and how they
3 are determined; and

4 “(vi) the labor-management policies of those
5 countries and how they are determined.

6 “(3) In making recommendations to the President and
7 the Congress, the Commission shall—

8 “(A) identify those industries which are necessary
9 to the present and future economic stability and nation-
10 al security of the United States;

11 “(B) recommend specific policy goals necessary to
12 insure the international competitiveness of the indus-
13 tries identified under subparagraph (A);

14 “(C) recommend mechanisms for achieving those
15 policy goals;

16 “(D) give special attention to—

17 “(i) maintaining and improving the technical
18 and innovative comparative advantages which are
19 now held by United States industries, including
20 assistance for increasing basic research and devel-
21 opment in key industrial areas and for expanding
22 the application of such research and development
23 into commercial markets;

24 “(ii) assuring adequate capital for the indus-
25 tries identified under subparagraph (A), including

1 ways to cure market defects which inhibit access
2 to such capital;

3 “(iii) promoting the export potential of
4 United States industries; and

5 “(iv) providing governmental assistance,
6 where necessary, for the transition and adjustment
7 from nonessential, noncompetitive industries to
8 more productive uses of capital, both human and
9 material.

10 “(E) include its suggestions for changes in present
11 laws, regulations, and policies and for changes in insti-
12 tutional structures and relationships, including propos-
13 als which will result in cooperative actions by govern-
14 ment, business, and labor, and which will result in co-
15 ordination of governmental programs.

16 “(d)(1) The Commission shall be composed of fifteen
17 members appointed by the President and selected as follows:

18 “(A) five members selected by the President, not
19 more than three of whom shall be members of the
20 same political party;

21 “(B) five members selected by the Majority
22 Leader of the Senate, not more than three of whom
23 shall be members of the same political party; and

1 “(C) five members selected by the Speaker of the
2 House of Representatives, not more than three of
3 whom shall be members of the same political party.

4 “(2) In selecting the members of the Commission, the
5 President, the Majority Leader of the Senate, and the Speak-
6 er of the House of Representatives shall insure that the Com-
7 mission is representative of individuals who are knowledge-
8 able about, and experienced in, business and industry (includ-
9 ing small business), labor, Federal, State, and local govern-
10 ment, finance, and the academic world.

11 “(3) The President shall designate one member of the
12 Commission to serve as Chairman of the Commission, and
13 one member of the Commission to serve as Vice Chairman of
14 the Commission.

15 “(4) A vacancy in the Commission shall not affect its
16 powers, and shall be filled in the same manner in which the
17 original appointment was made.

18 “(5) Eight members of the Commission shall constitute
19 a quorum, but a lesser number may hold hearings.

20 “(6) The Commission shall meet at the call of the Chair-
21 man or a majority of its members.

22 “(7) Members of the Commission shall serve without
23 pay, except that they may be reimbursed for actual travel,
24 subsistence, and other necessary expenses incurred by them
25 in the performance of the duties vested in the Commission.

1 “(e) Subject to such rules and regulations as it may
2 adopt, the Commission, through its Chairman, shall ap-
3 point—

4 “(1) an Executive Director who shall be paid at a
5 rate not to exceed the rate of basic pay provided for
6 level V of the Executive Schedule pursuant to section
7 5316 of title 5, United States Code; and

8 “(2) such additional personnel as it deems neces-
9 sary to carry out the provisions of this section without
10 regard to the provisions of title 5, United States Code,
11 governing appointments in the competitive service, and
12 without regard to chapter 51 and subchapter III of
13 chapter 53 of such title relating to classification and
14 General Schedule pay rates.

15 “(f)(1) The Commission may, for the purpose of carrying
16 out the provisions of this section, hold such hearings and sit
17 and act at such times and places as it considers appropriate.

18 “(2) Subject to such rules as may be prescribed by the
19 Commission, the Commission may procure temporary and in-
20 termittent services under section 3109(b) of title 5, United
21 States Code.

22 “(3) The Commission may secure directly from any Fed-
23 eral department or agency information necessary to enable it
24 to carry out this section. Upon request of the Chairman of the

1 Commission, the head of such department or agency shall
2 furnish such information to the Commission.

3 “(4) The Commission may use the United States mails
4 in the same manner and under the same conditions as other
5 departments and agencies of the United States.

6 “(5) The Administrator of General Services shall pro-
7 vide to the Commission on a reimbursable basis such adminis-
8 trative support services as the Commission may request.

9 “(6) Upon request of the Commission, the head of any
10 Federal department or agency may detail, on a reimbursable
11 basis, any of the personnel of such agency to the Commission
12 to assist the Commission in carrying out its duties under this
13 section.

14 “(7) The Commission may accept, use, and dispose of
15 gifts or donations of services or property.

16 “(g) The report required under subsection (c) shall be
17 transmitted to the President and the Congress not later than
18 one year after the date of the enactment of this section.

19 “(h) There are authorized to be appropriated not to
20 exceed \$3,000,000, without fiscal year limitation, to carry
21 out the provisions of this section.”.

